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November 7, 1989

RECORDATION NO 16597 FILED 1425

The Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

NOV 7 1989 -9 40 AM
INTERSTATE COMMERCE COMMISSION

Dear Secretary McGee:

Enclosed for recordation, under the provisions of 49 U.S.C. §11303(a) and the regulations thereunder, are an original and five counterparts of a Demonstration Lease Agreement, dated as of November 3, 1989, between General Electric Company ("Lessor"), and Indiana Railroad Company ("Lessee"), a primary document.

The names and addresses of the parties to the enclosed Demonstration Lease Agreement are as follows:

LESSOR: General Electric Company
2901 East Lake Road
Erie, Pennsylvania 16531

LESSEE: Indiana Railroad Company
P.O. Box 2464
The Senate Avenue
Indianapolis, Indiana 46206-2464

A general description of the railroad locomotives covered by the enclosed documents is attached hereto as Schedule I.

The undersigned is the attorney-in-fact of General Electric Company. Please return the original of the enclosed document to John K. Maser III, Esquire, Donelan, Cleary, Wood & Maser, P.C., Suite 850,

John K. Maser

Letter to Secretary McGee

Page 2

November 7, 1989

1275 K Street, N.W., Washington, D.C. 20005-4006 or to the bearer hereto.

Also enclosed is a remittance in the amount of \$15.00 for the required recording fee.

A short summary of the document to appear in the index follows:

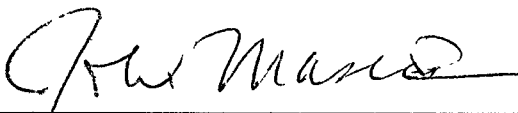
PRIMARY DOCUMENT

Demonstration Lease Agreement, dated as of November 3, 1989, between General Electric Company ("Lessor") and Indiana Railroad Company ("Lessee"), relating to two (2) General Electric Super 7 B23 Diesel Electric Locomotives, bearing identification marks "GECX" and Road Nos. 2000 and 2002.

Respectfully submitted,

GENERAL ELECTRIC COMPANY

By:



John K. Maser III
Attorney-In-Fact

004/FS
Enclosures

Schedule I

Description of Locomotives

<u>Type of Equipment</u>	<u>Number</u>	<u>Identifying Marks</u>	<u>Road Numbers</u>
General Electric Super 7 B-23 Diesel Electric Locomotives	2 locomotives	Marked "GECX" on both sides of locomotives	2000 and 2002

Interstate Commerce Commission
Washington, D.C. 20423

11/7/89


OFFICE OF THE SECRETARY

John K. Maser III
Donelan, Cleary, Wood & Maser
1275 K St. N.W.
Washington, D.C. 20005-4006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/7/89 at 9:40~~am~~ and assigned recordation number(s). 16597

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

Demonstration Lease Agreement

16597
NOV 7 1989 - 9 40 AM
INTERSTATE COMMERCE COMMISSION

This Agreement, made and entered into as of this 3 day of ~~October~~ ^{NOVEMBER}, 1989, by and between General Electric Company (hereinafter called "GE") and Indiana Railroad Company (hereinafter called "Lessee").

GE and Lessee agree to the following:

1. Locomotives to be Leased and Period of Lease - GE will furnish and Lessee will use the following locomotives from the listed "Beginning of Lease" date to the "End of Lease" date:

<u>Model</u>	<u>Road Number</u>	<u>Casualty Value</u>
"Super 7" B23	GECX 2000	\$850,000
"Super 7" B23	GECX 2002	\$850,000

Said Locomotives are anticipated to be delivered to Lessee on or about November 1, 1989. Lessee shall have use of said Locomotives for a period of ten (10) days following the receipt of said Locomotives.

2. Rental Payments - Lessee will pay to GE, as rent for each of the locomotives, the sum of \$1.00, during the term of the lease.

3. Delivery and Return Points - Lessee will accept delivery of locomotives at any interchange point on Lessee's railroad system. Upon end of the lease, Lessee will deliver the locomotives to the Burlington Northern Railroad at an interchange on Lessee's railroad system, at no charge to GE.

4. Registration of Lease - Lessee will assist General Electric in duly filing, registering or recording lease in conformity with Section 11303 of the Interstate Commerce Act for the protection of General Electric's title to the Locomotives.

5. Other Terms and Conditions - This agreement is governed by terms and conditions listed in "Appendix 1. Demonstration Lease Terms and Conditions" (attached).

This Lease contains the entire and only agreement between the parties concerning the subject matter hereof, and any representation, promise or condition not incorporated herein shall not be binding on either party. No modification, renewal, extension, termination or waiver of this Lease or any of the provisions herein contained shall be binding upon either party unless made in writing by a duly authorized representative of each party.

Lessee:

Thomas J. Quigley

Title: V.P. G.M.

Date: Nov. 3, 1989

GE:

Michael L. D. Howell

Title: G.M. MARKETING SALES

Date: Nov. 3, 1989

Appendix 1. DEMONSTRATION LEASE TERMS AND CONDITIONS

1. Warranties and Liabilities:

- a GE makes NO WARRANTIES, WHETHER EXPRESS, IMPLIED, ORAL, WRITTEN OR STATUTORY, INCLUDING BUT NOT LIMITED TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, concerning Locomotives supplied to Lessee LESSEE SHALL ACCEPT EACH LOCOMOTIVE AS IS AND WITH ALL FAULTS
- b Whether liability is based on contract, warranty, tort (including negligence) or otherwise, (i) GE shall have no liability to Lessee arising out of furnishing or use of any Locomotive under this Lease, or their use, (ii) in no case, shall GE's liability include any special, incidental, indirect or consequential damages including, but not limited to, loss of revenue or profits, damage to freight, loss of use of any equipment, cost of capital, downtime costs, or claims of Lessee's customers for such damages
- c Lessee shall indemnify, reimburse, and hold GE harmless from any and all losses, damages, costs, injuries, claims, demands, suits, judgments or causes of action whatsoever arising on account of, or caused in any way by the Locomotives or the use or operation thereof, except to the extent directly caused by the negligence of GE.

2. Title, Assignment, Taxes and Liens

- a At all times during this Lease, title to the Locomotives shall remain with GE. Delivery of the Locomotives to Lessee shall constitute a lending or bailment for hire. No right, title or interest in the Locomotives will vest in Lessee by reason of this Lease or by reason of the delivery to or use by Lessee of the Locomotives, except the right to use the Locomotives in accordance with the terms of this Lease. Lessee will take all actions necessary to protect GE's rights, interest and title in the Locomotives. Locomotives shall be marked on each side: "General Electric Company, Owner, Lessor, Lease Filed with ICC". Lessee shall maintain this marking, and immediately replace it if such marking is destroyed. Lessee shall not make any markings on the locomotives that might be interpreted as a claim of ownership.
- b Lessee agrees to use the Locomotives exclusively within its own service including run-through arrangements that are part of Lessee's normal business. Lessee agrees to use the Locomotives within the boundaries of the United States. Lessee shall not assign, transfer or encumber this Lease or any interest therein or any right granted hereunder without prior written consent of GE.
- c Lessee shall pay and discharge any debt, tax, charge, assessment, obligation or claim against the Lessee or Locomotive(s) which, if unpaid, might become a lien or charge upon or against the title of GE to the Locomotives or which might have the effect of altering in any way the rights of GE in such Locomotives under this Lease.
- d Lessee shall be responsible for any taxes and fees arising from the use or operation of the Locomotives.

3. Risk of Loss and Damage

- a Lessee shall bear the risk of loss or damage to any Locomotive from the date of delivery through return of the Locomotive by Lessee to GE, regardless of the cause of such loss or damage (including any damages caused by improper use, operation or maintenance of the Locomotives), except to the extent such loss or damage is caused directly by the negligence of GE.
- b In the event of any loss or damage to any Locomotive, Lessee shall immediately notify GE. In the event that Locomotives are lost or damaged beyond repair, Lessee shall pay to GE the casualty value of such Locomotive within thirty days and Lessee would receive title to the damaged Locomotives. If Locomotives are partly damaged, GE will, at its sole discretion, determine how repairs are to be made. In such cases, the Lessee will be responsible for the reasonable cost of such repairs, and shall reimburse GE promptly upon submission of invoices (total of invoices shall not exceed casualty value of Locomotive). In the event that damage is limited to a component of the Locomotive costing less than \$500, Lessee may replace such component with a component of equivalent quality and value, without notifying GE.
- c Lessee shall, at all times, at its own expense, cause to be carried and maintained with respect to liabilities assumed by Lessee under this Lease (i) all risk insurance on Locomotives and (ii) public liability insurance with respect to third party personal injury and property damage, in such amounts and against such risks and with such insurance companies as is consistent with prudent railroad industry practices, provided, however, that if Lessee customarily self-insures against such risks, Lessee may self-insure to the extent that such self-insurance is consistent with prudent railroad industry practices.
- d Lessee shall continue to be responsible for any amounts due under this section notwithstanding any termination of this lease.

4. Use, Alterations and Maintenance

- a Lessee will use and operate the Locomotives in conformance with all applicable manufacturer recommendations. Lessee shall keep the Locomotives in good repair and operating condition (reasonable wear and tear excepted), applying the manufacturer's recommended maintenance standards and procedures.
- b During the term of the Lease, Lessee assumes all operating and maintenance expenses of the Locomotives including the costs of fuel, lubricating oils, greases and other supplies necessary for the proper operation of the Locomotives. These supplies must conform with GE's specifications. Lessee shall not be responsible for any costs of repairing any components of the Locomotives which may fail due to no fault of the Lessee. If such failures occur at no fault of Lessee, at Lessee's option, Lessee's employees could correct such failures under GE supervision, or Lease could be terminated and the Locomotive returned to GE for repairs.
- c Lessee shall not make change the design, construction or specifications of the Locomotives, body or electrical equipment, components thereof, or markings without the prior authority and approval of GE.
- d Lessee shall allow GE to inspect and observe the operation of the Locomotives at any reasonable time and location on Lessee's property.

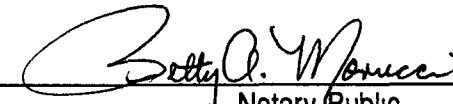
5. Default and Remedies

- a If Lessee breaches or is in default of any material provision of this Lease, GE, at its option, may, without prejudice to any other rights or remedies it may have under this Lease, at law or in equity, (a) terminate this Lease and take immediate possession of the Locomotives, and (b) proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable terms and conditions of this Lease or to recover damages for breach thereof.
- b The remedies and powers in this Lease provided in favor of GE shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies and powers in its favor existing at law or in equity and each and every remedy and power may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by GE.

6. **Applicable Law** - Except insofar as Federal law may be applicable, the terms and conditions of this instrument and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania (including but not limited to the Uniform Obligations Act), but GE shall be entitled to such additional rights arising out of the filing or recording hereof, as shall be conferred by the laws of any jurisdiction in which the Lease or any such assignment shall be filed or recorded.

STATE OF
COUNTY OF

On this 3 day of NOVEMBER, 1989, before me personally appeared T. QUIGLEY
G.M. - V.P., to me personally known, who, being by me duly sworn, did say that he is
of Indiana Railroad Company, that the
instrument was signed on behalf of such corporation by authority of its Board of Directors, and
he acknowledged that the execution of the foregoing instrument was the free act and deed of
such corporation.


Notary Public

My commission expires:

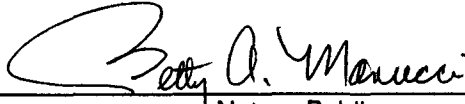
NOTARY PUBLIC
BETTY A. MUCCI
INDIANAPOLIS, INDIANA
MY COMMISSION EXPIRES JAN 14, 1991
member, Indiana Association of Notaries

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF ERIE

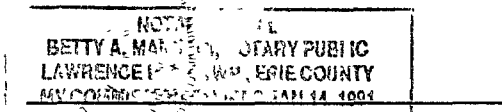
)
: ss.
)

On this 3 day of NOVEMBER, 1989, before me personally appeared M.W.D. Howell, to me personally known, who, being by me duly sworn, did say that he is a General Manager of General Electric Company, that the instrument was signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.



Notary Public

My commission expires:



Member, Pennsylvania Association of Notaries

TERMINATION OF LEASE

This Termination of Lease is made as of April 1, 1994, by and between General Electric Corporation, a New York corporation acting through its Transportation Systems Business Operation ("Lessor"), and The Indiana Rail Road Company, an Indiana corporation ("Lessee").

WHEREAS, the Lessor and the Lessee are parties to a Demonstration Lease Agreement (the "Lease") that was filed with the Interstate Commerce Commission (the "ICC") pursuant to 49 U.S.C. Section 11303 on November 7, 1989 and given Recordation Number 16597;

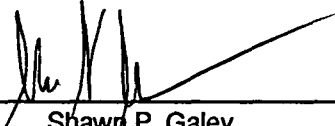
WHEREAS, the Lessor and the Lessee desire to terminate and cancel the Lease with respect to the equipment described therein and herein and to record such termination and cancellation with the ICC;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, the Lessor and the Lessee, intending to be legally bound, hereby agree as follows:

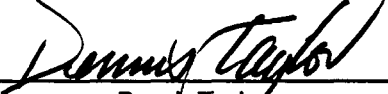
1. The Lessor and the Lessee hereby terminate and cancel the Lease, effective as of April 1, 1994, with respect to the equipment described therein (the "Terminated Equipment").
2. The Lessor and the Lessee agree to record this Termination of Lease with the ICC so as to release the Lessor's lien against the Terminated Equipment.
3. This Termination of Lease may be executed by the parties hereto in one or more counterparts (or upon separate signature pages bound together in one or more counterparts) which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Lessor and the Lessee have each caused this Termination of Lease to be duly executed by their authorized officers as of the date and year first above written.

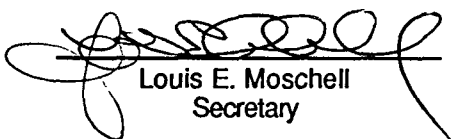
Attest:


Shawn P. Galey
Attesting Secretary

GENERAL ELECTRIC COMPANY

By: 
Dennis Taylor
Manager, Motive Power Leasing

Attest:


Louis E. Moschell
Secretary

THE INDIANA RAIL ROAD COMPANY

By: 
Thomas G. Hovack
President

RECORDATION NO. 16597 FILED 1425
MAY 18 1994-3 30 PM
INTERSTATE COMMERCE COMMISSION

Commonwealth of Pennsylvania)
)
County of Erie)

On this 26th day of April, 1994, before me personally appeared Dennis Taylor, to me personally known, who, being duly sworn, did depose and say that he is Manager, Motive Power Leasing of the Transportation Systems Business Operation of General Electric Company, that the foregoing instrument was signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

Carol A. Wahlen

Notary Public

My commission expires:

Notarial Seal
Carol A. Wahlen, Notary Public
Lawrence Park Twp Erie County
My Commission Expires Dec 12, 1994

State of Indiana)
)
County of Marion)

On this 5th day of May, 1994, before me personally appeared Thomas G. Hovack, to me personally known, who, being duly sworn, did depose and say that he is President of The Indiana Rail Road Company, that the foregoing instrument was signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

Sandra M. Stockman

Notary Public

My commission expires:

SANDRA M STOCKMAN
NOTARY PUBLIC STATE OF INDIANA
JOHNSON COUNTY
MY COMMISSION EXP NOV 2, 1996